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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 27, 1993

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street NW, Room 222
Washington, DC 20554

RE: In the Matter of 1993 Annual Access Tariff Filings
GSF Order Compliance Filings (CC Docket No. 93-193)

Dear Mr. Caton:

Enclosed for filing on behalf of Sugar Land Telephone Company are an original and seven copies of a Direct Case in the above referenced proceeding.

Should there be any questions concerning this matter, please contact the undersigned counsel.

Sincerely,

Carolyn C. Hill
Federal Regulatory Counsel

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Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

1993 Annual Access Tariff Filings

GSF Order Compliance Filings

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CC Docket No. 93-193

Direct Case of Sugar Land Telephone Company

Sugar Land Telephone Company ("Sugar Land") hereby submits a direct case in response to the Commission's Memorandum Opinion and Order Suspending Rates and Designating Issues for Investigation ("Order"), DA 93-762, released June 23, 1993, and the Erratum, DA 93-940, released July 22, 1993, in the captioned proceeding.

Background

In the Report and Order released May 19, 1993, in CC Docket 92-222, Amendment of the Part 69 Allocation of General Support Facility Costs ("GSF Order"), FCC 93-238, the Commission amended Section 69.307(b) of its Rules in order to correct the misallocation of general support facility (GSF) investment and related expenses among the Part 69 access categories for local exchange carriers (LECs). The revised rule increased the apportionment of GSF costs to common line while reducing the apportionment of GSF costs to other Part 69 access elements. This rule change was designed to allocate costs among service categories in a manner that would result in more

cost-based rates for access services. This rule change was adopted by the Commission to facilitate the implementation of expanded interconnection for LEC transport services. (GSF Order, p. 7-8). The Commission believed that the impact from the GSF rule change would be negligible. (Id. at 8.)

Pursuant to the GSF Order, LECs were to file tariff revisions reflecting the effect of the changed allocation process on fourteen days' notice, to become effective July 1, 1993, the same date their annual access tariff filings were to go into effect. On June 17, 1993, Sugar Land submitted the required GSF tariff filing.¹

Subsequently, in the context of its review of the LECs' annual access tariff filings, the Common Carrier Bureau ("Bureau") considered the GSF tariff filings. The Bureau noted that petitions to suspend/reject the GSF filings were due at virtually the same time it was releasing the order on the annual access tariff filings. As a result, there was only limited time to conduct a necessary review of the GSF issues, and, in an abundance of caution, the Bureau concluded that an investigation was warranted to determine whether the GSF filings complied with the Commission's GSF Order. Thus, the Bureau ordered the suspension for one day of all GSF tariff filings, imposed an accounting order, and ordered an investigation. No party filed to suspend or reject Sugar Land's GSF filing,

¹ Transmittal No. 17 to Sugar Land Telephone Company (SLT) Tariff F.C.C. No. 2. This filing was made consistent with the requirements for LECs entitled to file pursuant to Section 61.39 of the FCC's Rules.

Transmittal No. 17. However, to comply with the Bureau's suspension order, Sugar Land filed Transmittal No. 18 on June 29, 1993.

GSF Investigation

Various issues were designated by the Bureau with respect to GSF. However, of these issues, only issue 6, "Have the LECs properly reallocated GSF costs in accordance with the GSF Order?" (Order, p.36), is applicable to Sugar Land. In response, Sugar Land states as follows:

Sugar Land Has Reallocated GSF Costs in Accordance with the GSF Order and the Resulting Rates are Just and Reasonable.

Based on Sugar Land's analysis of the Commission's GSF Order, Sugar Land determined that the required reallocation of GSF costs could be made by a straightforward adjustment to its Part 69 allocation model. After the required reallocation of GSF costs was made, revised rates were developed for the biennial period, July 1, 1993 to June 30, 1995. All base financial data, demand, and special study information for the 1991 and 1992 annual historical period was carried forward unchanged from Sugar Land's annual access tariff filing made on April 2, 1993.

The impact on Sugar Land's rates from the reallocation of GSF costs was consistent with the Commission's projections in the GSF Order. That is to say, traffic sensitive switched and special access rates decreased. Because Sugar Land participates

in NECA Tariff F.C.C. No. 5 for carrier common line (CCL) and end user (EU) services, the increase to the common line revenue requirement resulting from the rule change was reflected in NECA's GSF filing.

Decreases in the traffic sensitive switched access rates for Sugar Land, depending on rate category, ranged from 19.1% to 20.4% while the decreases in traffic sensitive special access rates ranged from 17.4% to 18.4%. These results are demonstrated in the attached Appendices. Thus, Appendix A sets forth the pre- and post-effects of the GSF reallocation on Sugar Land's rates as well as the percent changes. Appendix B sets forth the net revenue requirements impact resulting from the GSF reallocation.

In summary, based on the aforesaid and the GSF data submitted in connection with Sugar Land Transmittal No. 17, Sugar Land submits that it has demonstrated that its reallocation of GSF costs was in accordance with the Commission's GSF Order. In its rate development process, all base financial data, demand, and special study information underlying the rates was carried forward from Sugar Land's annual access tariff filing made on April 2, 1993. The rate impact was negligible which was consistent with the Commission's projections. Moreover, no party petitioned against Sugar Land's rates and Sugar Land believes that those rates have been shown to be just and reasonable.

WHEREFORE, it is respectfully requested that the Commission terminate its investigation in this proceeding with respect to Sugar Land.

Respectfully submitted,
Sugar Land Telephone Company

By: *Carolyn C. Hill*
Carolyn C. Hill
1710 Rhode Island Avenue, NW, Suite 1000
Washington, DC 20554

Its Attorney

July 27, 1993

June 17, 1993 GSF Access Tariff Filing
Rate Comparison

Filing Entity: SUGARLAND TELEPHONE

	Filed 4/2/93	Proposed 7/1/93	% Change		Filed 4/2/93	Proposed 7/1/93	% Change
Switched				Special Access			
Local Switching 2	0.022816	0.018448	-19.1%	Telegraph CMF	\$1.02	\$1.02	0.0%
Local Switching	0.010267	0.008302	-19.1%	Telegraph CMT	\$27.67	\$27.67	0.0%
Info Surchg Prem	0.00066922	0.00066922	0.0%	Telegraph 2W CT	\$40.35	\$40.35	0.0%
Info Surchg NonP	0.00030115	0.00030115	0.0%	Telegraph 4W CT	\$80.71	\$80.71	0.0%
LTT Premium	0.006371	0.005086	-20.2%	Voice Grade CMT	\$32.75	\$27.04	-17.4%
LTT Non Premium	0.002867	0.002289	-20.2%	Voice Grade CMF	\$3.52	\$2.90	-17.6%
LTF Premium	0.000152	0.000121	-20.4%	Voice Grade 2W CT	\$47.50	\$38.76	-18.4%
LTF Non Premium	0.000068	0.000055	-19.1%	Voice Grade 4W CT	\$76.00	\$62.01	-18.4%
800DB Query-Basic	0.0074	0.0074	0.0%	Prog Audio 3.5 CMF	\$10.55	\$8.71	-17.4%
800DB Query-Enhanc	0.0077	0.0077	0.0%	Prog Audio 5.0 CMF	\$10.55	\$8.71	-17.4%
				Prog Audio 8.0 CMF	\$10.55	\$8.71	-17.4%
End User				Prog Audio 15 CMF	\$10.55	\$8.71	-17.4%
Sp Access Surcharge	\$25.00	\$25.00	0.0%	Prog Audio 3.5 CMT	\$98.25	\$81.12	-17.4%
Residence & SLB	n/a	n/a		Prog Audio 5.0 CMT	\$98.25	\$81.12	-17.4%
Multi Line Bus	n/a	n/a		Prog Audio 8.0 CMT	\$98.25	\$81.12	-17.4%
				Prog Audio 15 CMT	\$98.25	\$81.12	-17.4%
Nonrecurring Charges				Prog Audio 3.5 CT	\$41.63	\$33.97	-18.4%
Access Order	\$92.00	\$92.00	0.0%	Prog Audio 5.0 CT	\$52.50	\$42.83	-18.4%
Date/Design Change	\$39.00	\$39.00	0.0%	Prog Audio 8.0 CT	\$52.50	\$42.83	-18.4%
Unauth PIC Change	\$0.00	\$0.00		Prog Audio 15 CT	\$52.50	\$42.83	-18.4%
				Digital Data 2.4 CMF	\$3.52	\$2.90	-17.6%
Switched Installation				Digital Data 4.8 CMF	\$3.52	\$2.90	-17.6%
Telegraph NRC	\$286.00	\$286.00	0.0%	Digital Data 9.6 CMF	\$3.52	\$2.90	-17.6%
Voice Grade NRC	\$286.00	\$286.00	0.0%	Digital Data 19.2 CMF			
Program Audio NRC	\$222.00	\$222.00	0.0%	Digital Data 56 CMF	\$10.55	\$8.71	-17.4%
Digital Data NRC	\$208.00	\$208.00	0.0%	Digital Data 2.4 CMT	\$32.75	\$27.04	-17.4%
High Cap NRC	\$212.00	\$212.00	0.0%	Digital Data 4.8 CMT	\$32.75	\$27.04	-17.4%
Presubscription NRC	\$5.00	\$5.00	0.0%	Digital Data 9.6 CMT	\$32.75	\$27.04	-17.4%
				Digital Data 19.2 CMT			
Optional Features & Functions				Digital Data 56 CMT	\$98.25	\$81.12	-17.4%
Improved Return Loss	\$10.29	\$8.50	-17.4%	Digital Data 2.4 CT	\$78.66	\$64.18	-18.4%
Bridging	\$3.02	\$2.50	-17.2%	Digital Data 4.8 CT	\$78.66	\$64.18	-18.4%
Cust Spec Receive Lvl	\$6.86	\$5.67	-17.3%	Digital Data 9.6 CT	\$78.66	\$64.18	-18.4%
Mux DS1 to Voice	\$210.56	\$210.56	0.0%	Digital Data 19.2 CT			
Mux DS1 to DS0	\$113.31	\$113.31	0.0%	Digital Data 56 CT	\$78.66	\$64.18	-18.4%
CSU 9.6 Kbps	\$14.79	\$14.79	0.0%	Hi Cap 64 Kbps CMF			
Select Signaling Arrg	\$6.60	\$6.60	0.0%	Hi Cap 1.544 Mbps CMF	\$35.17	\$29.03	-17.5%
C - Conditioning	\$13.73	\$11.33	-17.5%	Hi Cap 64 Kbps CMT			
Data Capability	\$3.43	\$2.83	-17.5%	Hi Cap 1.544 Mbps CMT	\$327.49	\$270.38	-17.4%
Signaling	\$17.28	\$14.27	-17.4%	Hi Cap 1.544 Mbps CT	\$159.41	\$130.06	-18.4%

APPENDIX B

Direct Case - GSF Filing

Sugar Land Telephone Company Tariff F.C.C. No. 2
Transmittal No. 17 - GSF Filing
Transmittal No. 18 - GSF Suspension/Investigation Tariff Filing

Revenue requirement changes resulting from GSF Order:

Rate Category Revenue Requirement¹

Common Line:	\$1,409,282
Traffic Sensitive - Switched:	
Local Switching	(\$864,193)
Information Surcharge	\$0
Local Transport	<u>(\$294,852)</u>
Total Traffic Sensitive - Switched	(\$1,159,045)
Traffic Sensitive - Special:	
Channel Termination	(\$105,419)
Channel Mileage	<u>(\$144,818)</u>
Total Traffic Sensitive - Special	(\$250,237)

¹ Sugar Land Telephone Company files pursuant to Section 61.39 of the Commission's Rules. Revenue requirement shifts reflected above represent the combined 1991 and 1992 annual historical periods.

Certificate of Service

I, Rita Ferrando, do hereby certify that on this 27th day of July, 1993, copies of the foregoing Direct Case were served on the following:

Kathleen B. Levitz, Acting Chief
Common Carrier Bureau
Federal Communications Commission
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Washington, DC 20554

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Rita Ferrando

July 27, 1993